



PAYCHECK PROTECTION PROGRAM

On March 27, 2020, H.R. 748, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. The CARES Act established the Paycheck Protection Program (PPP), a loan program to help small & mid-sized businesses with cash flow during the COVID-19 crisis. This is a forgivable loan program that is 100% backed by the federal government and administered through local banks and credit unions.

NEW: The U.S. Small Business Administration, in consultation with the U.S. Treasury Department, will re-open the Paycheck Protection Program (PPP) loan portal to PPP-eligible lenders with \$1 billion or less in assets for First and Second Draw applications on Friday, January 15, 2021 at 9 am ET. The portal will fully open on Tuesday, January 19, 2021 to all participating PPP lenders to submit First and Second Draw loan applications to SBA.

Businesses interested in applying for the PPP loan will be able to apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. You should consult with your local lender as to whether it is participating in the program

First Draw application [here](#)

Second Draw application [here](#)

Public Law No: 116-260 made a number of important changes to the Paycheck Protection Program, including:

- \$284.5 billion in new funding for the PPP for first and second-time borrowers;
- **Second draw loans are now available for businesses of 300 employees or less that have experienced at least 25% revenue loss during one quarter in 2020 when compared with 2019 (these loans are capped at \$2 million);**
- Small businesses will be able to fully deduct their expenses covered by a PPP when filing taxes;
- 501(c)6 organizations will be able to receive a PPP;
- There is now a simplified one-page PPP forgiveness application for loans \$150,000 or less;
- The CARES Act provision that requires PPP borrowers to deduct their EIDL Advance from their PPP loan forgiveness amount has been repealed.

For more information on these changes, [click here](#) to access information provided by the U.S. House of Representatives Small Business Committee.

For the most comprehensive, up-to-date information on the Paycheck Protection Program, please visit:



- [The U.S. Small Business Administration webpage on the Paycheck Protection Program](#)
- [The U.S. Treasury Department webpage on the Paycheck Protection Program](#)

ECONOMIC INJURY DISASTER LOAN

Arizona small businesses and most private nonprofit organizations may apply for **Economic Injury Disaster Loans (EIDL)** through the U.S. Small Business Administration's (SBA) Office of Disaster Assistance. All counties within Arizona are currently eligible for these loans, as declared by the SBA Administrator.

NEW: Under H.R. 133, the Economic Injury Disaster Loan program has made the following updates:

- **There will be \$20 billion dollars in new funding for the program to restart and extend the SBA's EIDL Advance Grant for small businesses in low income communities**
- **Existing EIDL Advance grantees that received less than \$10,000 dollars will be able reapply for the difference between what they received and the maximum EIDL Advance Grant of \$10,000 dollars**

Businesses and non-profits wishing to apply or looking for more information should visit the SBA's website for COVID-19 relief, [here](#).

If applicants have issues with the online application they can call SBA's Customer Service Center at 1-800-659-2955 or email disastercustomerservice@sba.gov.

Businesses may contact the **Arizona District Office** of the U.S. Small Business Administration at the [Arizona District Office](#) page.



FAMILY AND PAID LEAVE TAX CREDITS

NEW: Under H.R. 133, the refundable payroll tax credit for paid sick and family leave has been extended the through March 2021 for employers that continue to offer paid sick and family leave to their employees. It is no longer mandated that employers must provide paid sick and family leave related to COVID-19, but if they chose to do so, this tax credit is still available.

Visit the **U.S. Department of Labor** page on [wages and hourly pay during the COVID-19 crisis](#).

The **Internal Revenue Service** has issued guidance on the refundable COVID-19-Related Tax Credits for Required Paid Leave Provided by Small and Midsize Businesses. [Visit the FAQ page](#).

TAX RELIEF

NEW: Under H.R. 133, the Employee Retention Tax Credit (ERTC) has been expanded and extended for small businesses to use through June 30, 2021.

For more information, please visit the Ways and Means Committee website, [here](#).

Beginning on January 1, 2021 and through June 30, 2021, the ERTC will:

- Be increased from 50% to 70% of qualified wages;
- Have expanded eligibility for the credit by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent and provides a safe harbor allowing employers to use prior quarter gross receipts to determine eligibility;
- Have an increased limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter;
- Increase the employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees;
- Allow certain public instrumentalities to claim the credit; and
- Provide rules to allow new employers who were not in existence for all or part of 2019 to be able to claim the credit.

Employers who receive Paycheck Protection Program (PPP) loans may still qualify for the ERTC with respect to wages that are not paid for with forgiven PPP proceeds.



Visit the **Internal Revenue Service** for information on all COVID-19 related tax relief at the [Coronavirus Tax Relief](#) page.

LOCAL GUIDANCE

Arizona businesses may visit the **Arizona Department of Health** page for guidance on [community and business partners responding to COVID-19](#).

Arizona businesses may visit the **Maricopa County Public Health** to access [guidance for businesses affected by COVID-19](#).